

RESEARCH ARTICLE

OPEN ACCESS

Valuation and importance of the extrinsic attributes of the product from the firms' perspective in a Spanish wine protected designation of origin

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Abstract

Designations of origin (DOs) are commercial brands of wide use in the agro-food sector. Its use in Spain has taken place for more than three decades and although wineries managers have incorporated these new forms of protection, little is known about their opinion and their point of view during the DO implementation process. In fact, the consumers' point of view has been the one most often analyzed in the literature. In the present study we analyzed extrinsic attributes of a wine with DO from the company point of view. In particular, we analyzed brand, product, price, packaging and label, and origin of the product following a qualitative analysis on interviews carried out with winemakers of the DO wine *Ribera del Guadiana* during the last decade. The qualitative analysis of the interviews was performed using the software package ATLAS/ti, designed for this type of data analysis in the form of large blocks of text. The results indicated that winemakers consider that they offer a good product to the market, and try to promote their brands using the origin of the product as a marketing strategy. From the company point of view, this protected DO (PDO) has important opportunities for positioning to create a sustainable competitive advantage, focusing on quality and the territorial differentiation.

Additional key words: designation of origin; attributes; qualitative analysis; quality; origin.

Introduction

Agro-food products, wine between them, are becoming increasingly important in the European Union's food and agriculture policies. The potential of regional products differentiated for their quality has been recognized by the introduction of legislation governing protected designations of origin (PDO) and protected geographical indications (PGI). The tendency of current marketing strategies is to exploit the new opportunities based on the reputation and image of the region of origin of the product (Skuras & Vakrou, 2002; Bruwer & Johnson, 2010), and under the protection of the existing legislation, there have therefore been many firms which have used the origin of their products as a marketing tool.

There stand out among these differentiation strategies those supported by PDO and PGI. These certifications are intended to facilitate the consumer's recognition of the product and perception of superior quality (Van Ittersum *et al.*, 2003; Dekhili & d'Hauteville, 2009; Bouamra-Mechemache & Chaaban, 2010).

The attributes of products differentiate them from each other and affect the appreciation of their quality, which is always very subjective. Several works have proposed multi-attribute models that distinguish between intrinsic and extrinsic quality attributes (Zeithaml, 1988; Holm & Kildevang, 1996; Grunert, 1997; Fotopoulos & Krystallis, 2003). Taking a multi-attribute approach, some authors qualify this difference further. They find that consumer's expectations of the quality of products are based on such intrinsic and ex-

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Received: 07-04-14. Accepted: 21-07-14.

Abbreviations used: DO (designation of origin), PDO (protected designation of origin), PGI (protected geographical indications).

intrinsic attributes, the former being the product's physical attributes and the latter all the rest. The product's intrinsic attributes would be the characteristics determining its physical composition and remaining when its nature is not altered (Olson & Jacoby, 1972; Olson, 1977), while its extrinsic attributes are not actually part of the physical product, but are related to it (Olson, 1977). Examples of extrinsic attributes are price, brand, packaging, place of origin, quality labels, advertising, and indeed everything related to marketing (Steenkamp, 1989).

In a market as complex as that of wine, the product's attributes are critical because its quality depends on them. In this case, the intrinsic attributes include ageing, grape variety, vintage, and organoleptic properties such as taste, aroma or bouquet, and color. Extrinsic attributes include price, brand, and PDO (Louviere & Woodworth, 1983; Lockshin *et al.*, 2006; Mora, 2006).

Of course, consumers may not have complete information about the quality of a product in particular or a brand in general. They will then make use of the product's attributes (Hellöfs & Jacobson, 1999). Extrinsic attributes such as price, brand, or quality labels are mainly used in situations where information about intrinsic attributes is difficult to obtain, for example, when the product has not been tried yet (Steenkamp, 1990; Holm & Kildevang, 1996). Thus, Van Trijp *et al.* (1997) argued that quality labels are an aid to imperfectly informed consumers in their decision process. A quality label transforms trusted attributes into search attributes, and is used as an extrinsic quality attribute. It also adds value to the raw materials, and this may lead to increases in consumption, prices, and profit margins, providing the firm with a competitive advantage (De Chernatony *et al.*, 2000).

The effect of country-of-origin in consumer purchase decision has been recently studied for luxury products (Godey *et al.*, 2012), sea fish (Claret *et al.*, 2012) or lamb meat (Font *et al.*, 2011). Also, in a recent paper, country-of-origin of wine has been analyzed and it is proposed as the most important extrinsic cue for less-involved French and Spanish consumers, while more involved consumers with higher knowledge in wine are able to interpret and use a wider range of cues (Sáenz-Navajas *et al.*, 2014). Authors suggest that consumers' knowledge, involvement and nationality could be good predictors of quality perception.

Labeling that includes a PDO indicates to the consumer the place of origin and that the product has

been subject to formal controls, thus providing an idea about its quality. For the consumer, the label thus becomes a signal or indication of quality (Kirmani & Rao, 2000; Lagerkvist *et al.*, 2014). Designations of origin together with their Regulatory Boards provide a guarantee which allows the product to have its own identity. In fact, it has been showed that the consumption of PDO wine is better explained through consumer ethnocentrism (Martínez-Carrasco *et al.*, 2005), linking place of origin and consumption. The ethnocentrism has been considered as a source of purchase behavior that favors domestic products (Dmitrovic *et al.*, 2009).

In a related manner, Spawton (1991) defines wine by way of a set of benefits whose combination satisfies the consumer. The consumer purchases wine based on tangible properties represented by the attributes perceived through the senses (packaging, label, etc.), and on intangible properties which differentiate the product from the competitors (price, place of sale, image of the winery, media mix, etc.). In products such as wine which need to be experienced, quality cannot be evaluated before purchase. In these situations, the purchaser uses price, brand name, and area of origin as clues that may indicate the quality of the product (Steenkamp, 1990; Agrawal & Kamakura, 1999; Bruwer & Johnson, 2010). Due therefore to the nature of these products, information on their attributes is generally primarily based on subjective perceptions. The question is whether the area of origin is a valid indicator of the objective quality of a product.

Most of the studies realized in this direction are focused on the consumer's point of view. On the contrary, the firm's perspective has been poorly analyzed in the literature. In a previous study, we analyzed the introduction and development of a DO from the firm's perspective using qualitative techniques (García-Galán *et al.*, 2012). The study presented in this work is centered on the importance of the extrinsic attributes of the wine from the point of view of the company. In particular, we have analyzed the brand, the product, the price, the packaging and the label, and the origin of the product of the DO following a qualitative analysis on interviews carried out to winemakers of the DO of wine *Ribera del Guadiana* during the last decade. We are interested in knowing if PDO have important opportunities of positioning to create a sustainable competitive advantage. The period under study has been selected according to the time of establishment of DO in the region.

Methodology

Qualitative analysis

The use of qualitative methods is particularly appropriate for studies that analyze the comments and opinions of the interviewees about certain topics and issues. Interviews constitute a methodological tool for qualitative researchers to collect information but they should not be used mechanically since the responses will depend strongly on the interviewer, the interviewee, and their context. In this work, information was collected through in-depth interviews with those responsible for the firms' or the cooperatives' marketing. In this type of interview, known as semi-structured, the interviewer uses a script which lists the issues to be addressed, but the order in which the issues are presented and the time spent on each is left to the judgment of the interviewer during the course of the interview, as is recommended when the sample size is small (Grande, 1992; Grande & Abascal, 2000; Rabadán & Ato, 2003).

In qualitative analyses, the sample is not probabilistic as in quantitative studies, but intentional (Selltiz, 1976). Qualitative analyses study just one or a few cases with the aim of examining some aspect in depth. In this type of sampling, there is no pre-selection of the number of units to study as would be the case with probabilistic sampling. The number of units may change over the course of the research process, with more units being selected if one wants to examine some aspect in greater depth, or interrupting the process if new data begins to be repetitive. The researcher can use one of two methods to select the subjects or organizations: opinion-based sampling or theoretical sampling. The present study followed the latter method which is the better suited to the construction of theories. Thus, we selected for the sample firms which could provide us with the information most relevant to our study, applying a criterion of diversity in terms of size, geographical location in the different wine-producing areas, etc. The theoretical sampling procedure ends when one reaches a level of saturation at which there no longer appear new concepts and categories (Glaser & Strauss, 1967; Ruiz, 1996).

Population and sample of the study

The present qualitative study was conducted in the geographical area of Extremadura located in the South-

West of Spain, analyzing interviews performed in 2011, that represents an initial period of a decade after the establishment of the DO in 1998. The population under study was the wineries belonging to the *Ribera del Guadiana* PDO. At the time of study, the wineries dedicated more than 304 million square meters to the culture of vine, with a total production of 8 million liters of qualified PDO wine. In all cases, the production of red wine was the most important (80%), in comparison with white wine (17%) or rosé wine (1-2%). The wineries had in average a medium size, with some big wineries. Of the 46 firms constituting the census in-depth interviews were conducted in nine of them following the above theoretical sampling method. The choice was made on the basis of their different sizes, and the different "comarcas" (county-sized areas) belonging to this PDO. We believe that the selected sample is significant enough to provide a thorough understanding of the behavior of the firms and cooperatives firms conforming the *Ribera del Guadiana* PDO. We proceeded to make telephone contact with the selected firms and cooperatives to fix an interview with the person responsible for the firm's marketing. The interviews were conducted at each firm's registered office. Their average duration was about an hour, with their content being audio-recorded.

The research procedures were conformed to the directives and recommendations regarding professional ethics set out in the International Code ICC/ESOMAR (International Chamber of Commerce/European Society for Opinion and Marketing Research) as posted on the AEDemo Website (www.aedemo.es) for the practice of social and market research. Particular care was taken to comply with the norms in the Code in its Article 6 on recording techniques, and Article 7 on data protection and confidentiality. Thus, all respondents were informed in advance about the use of recording systems and gave their explicit authorization for such use. Also, opinions were not collected in which the interviewee explicitly stated that they should not be. Table 1 presents the study's technical data sheet.

Interview structure

The interview was conducted on the basis of a semi-structured script (standardized questions and free responses). Open questions were presented, requesting the respondent to provide comprehensive information about them. The aim with the script was not to collect

Table 1. Data sheet of the study

Universe	Firms with brands belonging to the <i>Ribera del Guadiana</i> wine PDO (46)
Method of information collection	Semi-structured in-depth interview
Sample composition	9 managers of wineries covered by the PDO
Sampling procedure	Theoretical intentional sampling based on the typological diversity of the firms. Contact by telephone to set up an appointment. Semi-structured interview recorded in audio.
Date of fieldwork	2011

PDO: Protected Designation of Origin.

in the strict sense just information considered essential to the objectives of the research, but also to leave open the possibility of the interviewer's introducing new questions, or for explanatory comments to be added by either the interviewer or the interviewee. Care was taken for the wording of the questions to be straightforward and clear to avoid errors due to any difficulty of comprehension or to misunderstanding the questions.

The semi-structured interview consisted of seven distinct parts addressing the following aspects: (i) general data about the firm; (ii) product policy, brand strategy, and packaging and brand names; (iii) the identity of the PDO and its brand image, the importance of the geographical origin, requirements and benefits of belonging to the PDO, and the influence on the consumer or the attributes of the PDO brand name; (iv) marketing policy, and advertising; (v) the price of the wine and distribution channels; (vi) the consumer; and (vii) the competition, and the business environment.

The qualitative analysis of the interviews was performed using the software package ATLAS/ti version 6.2, designed for this type of analysis on data in the form of large blocks of text. Its use involves two distinct phases. In the first, called the Textual Level, the text is processed, including its segmentation, selection of quotes, coding, and annotations and comments. In the second, the Conceptual Level, relationships are established between selected elements, and charts are produced showing the proposed model. The two phases are not independent, and neither are they performed sequentially, passing from one to the other repeatedly throughout the analysis process.

As primary documents for the analysis, we used the nine interviews with the winery managers. The text of the interviews is in MSWord format. Once the file has been opened in the program, it is processed to recognize those aspects of the interview that are suited to qualitative analysis. The responses to the interview questions are in the form of opinions, explanations, clarifications, etc. The first stage of reduction of the raw data is the selection of quotes. In total we selected 98 quotes from the interviews.

The second stage is transformation of the text. The selected quotes are described and categorized by means of codes. The relationship does not necessarily have to be one-to-one, *i.e.*, various codes can be assigned to a single quote (the actual number depended on the content of the quote, but was never more than three), and conversely, the same code can be assigned to more than one quote (indeed, there were more quotations in total than codes). In addition, there may be free codes that are not related to any quotation, but instead to the topic of the study. A total of 37 codes were selected from interviews. In any case, since this is an initial data reduction, it is possible, and indeed it was the case, that not all quotes or codes are used in the analysis. The codes are grouped logically, and graphically linked to the quotes by lines and to each other by means of symbols. The result is the construction of a network to which annotations are then added, as will be illustrated below.

Results

Brand versus product

The DO is needed to channel the development of the wine sector, as the market has shifted to quality and DO is a very promising way to offer quality. Winemakers need to increase a clear commitment to the DO.

In relation with this, an important data is the percentage of wine dedicated to DO. At the time of the study almost all the wineries dedicated more than 10%, reaching values close to 70-80% in the larger cooperative. Only in two cases, corresponding to the smaller wineries and with less business income, the percentage of production is less than 10%. In good agreement, the number of brands under the DO *Ribera del Guadiana* at the time the study was 88, belonging to a total of 46 wineries.

Therefore, one aspect that we analyzed in the study is the importance of branding versus product. Wine-

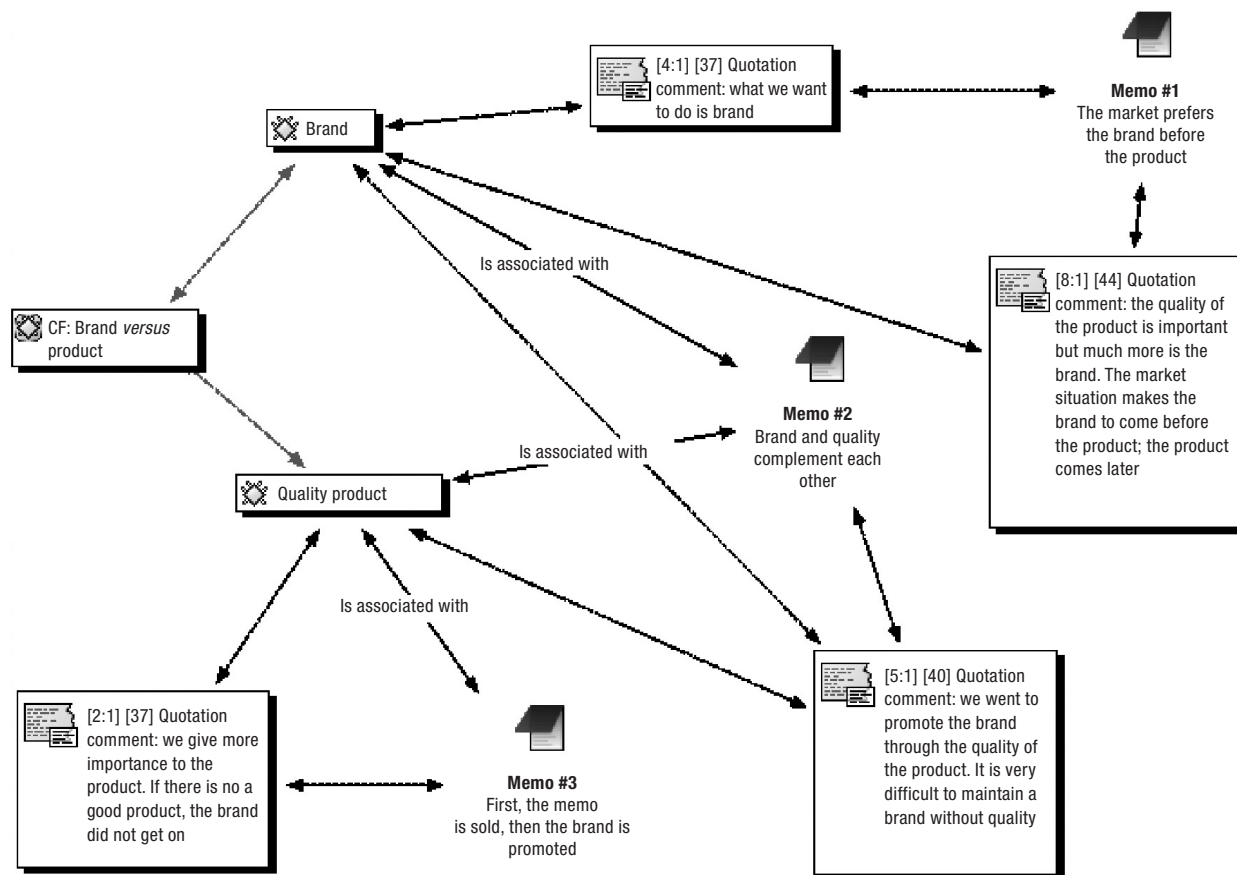


Figure 1. Brand versus product. The quotes selected are 2:1, 4:1, 5:1, and 8:1. The first number of the quotes refers to the number of the interview (numbered from 1 to 9) and the second one is the number of the quote selected from that interview. CF: codes family. Memo: annotation.

makers consider that is necessary to convince first the consumer with a good product, with a quality wine, and then promote the brand supported in that good product.

The interviews of the qualitative study show that most of the wineries were convinced that they offer a quality wine, and now they have started a phase of strengthening their brands to make them more present on the market (Fig. 1).

Only three out of nine wineries interviewed maintained that the product is more important than the brand. The quote 2:1 shows this opinion and is linked to the code *Quality product*. This code, together with *Brand*, belongs to the family codes of *Brand versus product*. This idea is reflected in the network with the annotation “First, the product is sold then the brand is promoted”. Other three wineries considered the brand as important as the product. Quote 5:1 reflects this opinion, and it is linked to both codes *Brand* and *Quality product*. In addition, the annotation “Brand and qua-

lity complement each other” is included in the network.

Finally, the remaining three wineries considered more important the brand than the product, because in their opinion it is a market demand. In particular, quote 8:1 reflects this view. Also, we have selected other quote as an example of this point of view of the wineries’ managers (quote 4:1). Both quotes are linked in the network with the code *Brand* and with the annotation “Market prefers the brand before the product”.

Importance of packaging and label

Another important issue is the importance of the package and the label. The importance of packaging in the wine is associated with the quality of wine that necessarily must be linked for the consumer to repeat the purchase of the brand. Because winemakers are sure to offer a quality wine, and as they are in a stage of strengthening their brands, the idea of the importance

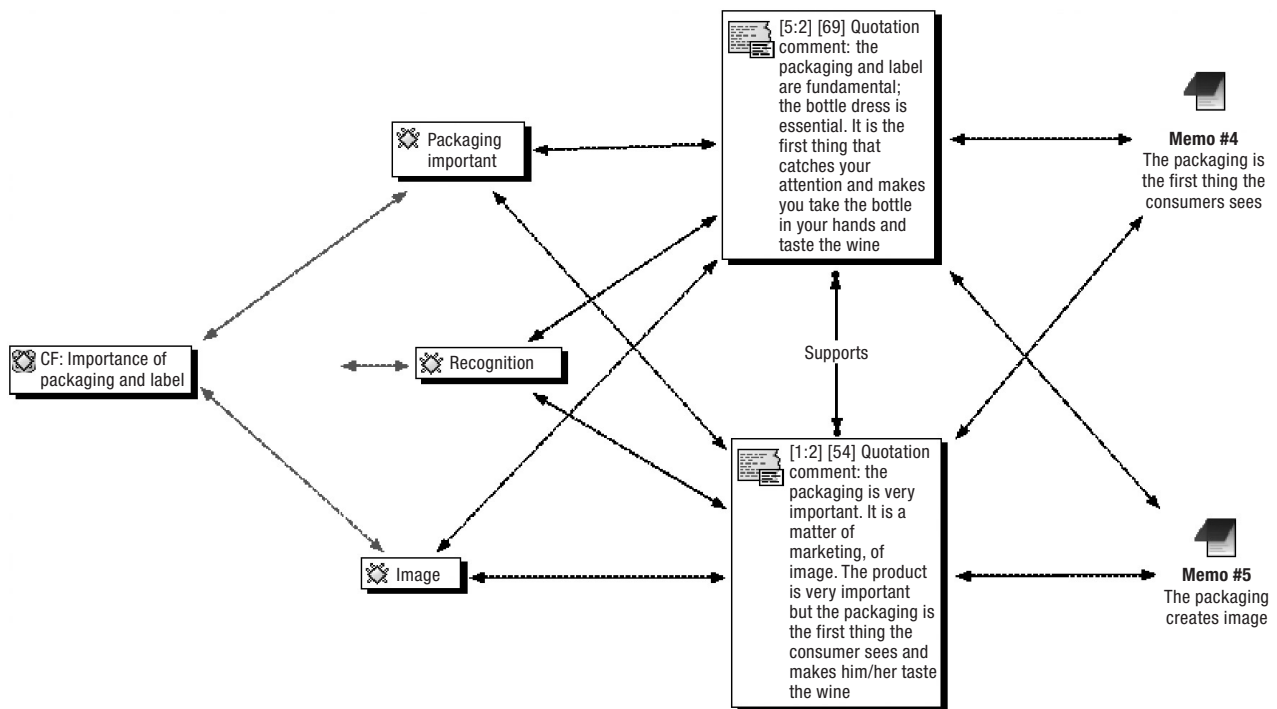


Figure 2. Importance of packaging and label. The quotes selected are 1:2, and 5:2. The first number of the quotes refers to the number of the interview (numbered from 1 to 9) and the second one is the number of the quote selected from that interview. CF: codes family. Memo: annotation.

of packaging linked to wine quality is strong. They have the opinion about the importance of the packaging and the label to be recognized (8 of the 9 interviewed wineries), but the packaging is also associated with the image of the winery, because is the first thing the consumer sees (this idea is expressed by 6 of the 9 wineries) (Fig. 2).

The codes family created (importance of packaging and label) is made up of 3 codes: *Packaging important*, *Recognition* and *Image*. We selected 2 quotes that support one another and between them are linked with the relation *supports* (quote 1:2 and quote 5:2).

We have created two annotations, which in turn are linked to the quotes and among them, as they complement each other. These two annotations are: “The packaging is the first thing the consumer sees” and “The packaging creates image”.

The geographical origin of the product

The geographical origin of the product is essential for a DO as it is the basis of this form of food protection. In the case of Extremadura, the origin has a negative connotation as a result of the use in the past of

these wines for distillation due to the poor quality. Thus, Extremadura was not a reference region for wine market.

Besides the bad reputation of Extremadura wines in the past, this idea has been weakened in agreement with that shown above on the increased certainty of the winemakers of the quality of their wines. Also, the increased presence in the markets has been gradually achieved as they are convinced of the quality of their wines. Quotes 3:3 and 5:4 are examples of opinions that reflect the negative image of Extremadura wines in the past (Fig. 3). We have associated the codes *Negative image of the wine from Extremadura* and *Spanish wine in foreign market* with the relation *contradicts* that means that both oppose. This opposition is because Extremadura wines are seen as Spanish wines abroad, benefiting from the good image that Spanish wines generally have and, in addition, abroad there are no negative prejudices towards this region as it exists in the rest of Spain.

However, the quote 4:15 adds precision to the indicated above, reflecting that this is true only in emerging markets (such as China), as European countries have long experience in imported Spanish wine and they can value differences between Spanish DOs.

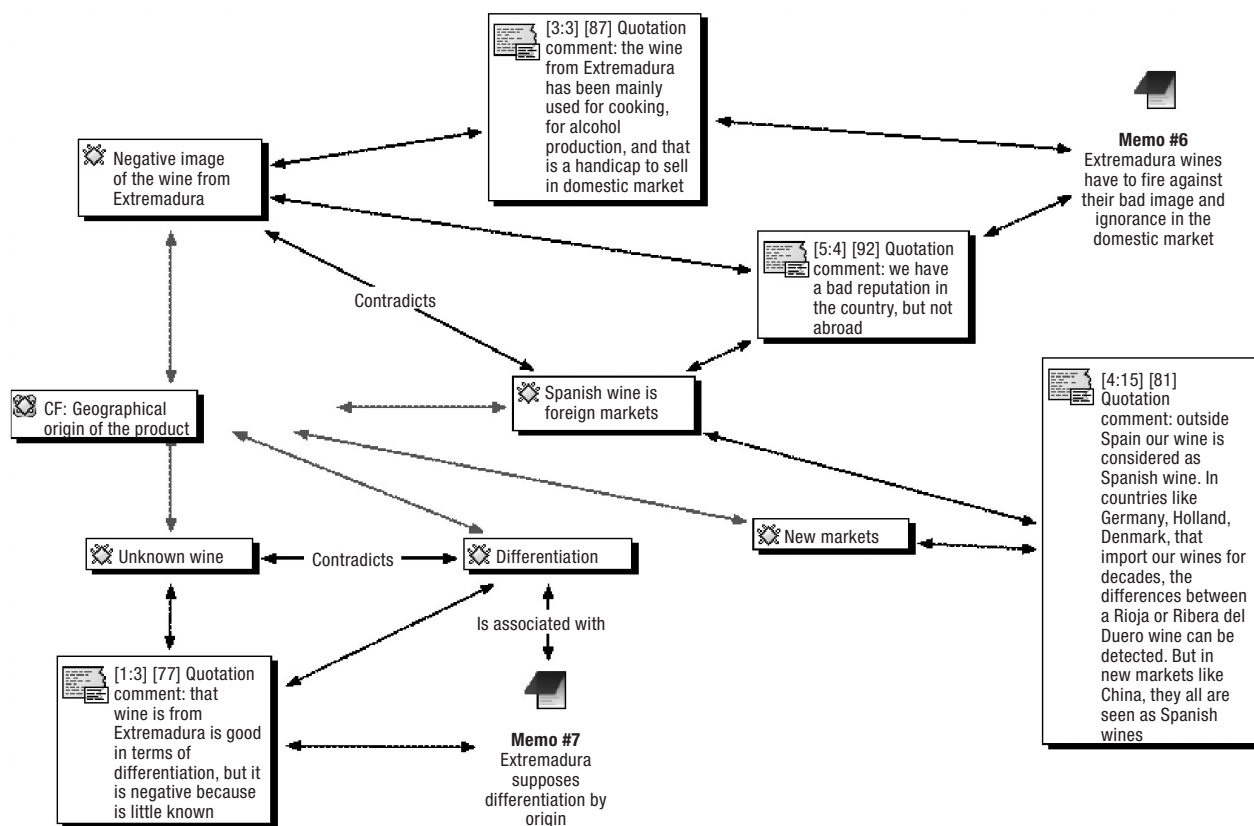


Figure 3. Geographical origin of the product. The quotes selected are 1:3, 3:3, 5:4, and 4:15. The first number of the quotes refers to the number of the interview (numbered from 1 to 9) and the second one is the number of the quote selected from that interview. CF: codes family. Memo: annotation.

The bad image of Extremadura wines generate the idea that the wines are undervalued in the domestic market. This view is expressed by 8 of the 9 winemakers interviewed. The quote 1:3 reflects this idea, but adds a new and important aspect, related with the origin Extremadura as maker of differentiation, a key aspect of a DO. The market must know the quality of the wines showing the differential characteristics of wine under the DO *Ribera del Guadiana*. We have linked the codes *Unknown wine* and *Differentiation* with the relation *contradicts* to show that both oppose.

Also, we create the annotation “Extremadura wines have to fight against their bad image and ignorance in the domestic market”, and one that reflects this new attitude “Extremadura supposes differentiation by origin”.

Specific attributes associated with the PDO

The specific attributes of the brand with DO determined by the qualitative analysis are quality, territory

and differentiation. Winemakers consider that the brand with DO has the characteristic of quality certification. Thus, in regard to the attributes of the brand with DO, it is very remarkable that 7 of the 9 wineries interviewed highlight the differentiation by the territory generated by the DO.

The family code created contains the following codes: *Quality*, *Territory* and *Differentiation* (Fig. 4). The codes *Territory* and *Differentiation*, on one hand, and *Quality* and *Differentiation*, on the other, have been associated with the relation *is associated with* indicating that associate or complement. A typical product or *typicity* has three interrelated aspects: quality, differentiation and territory, which are the three elements that appear at this point of the analysis.

There are several quotes that refer to aspects such as land, climate and grape specific type of Extremadura region. Indeed, some winemakers perceive differences between Tierra de Barros (main wine region of the DO *Ribera del Guadiana*) and other regions, as Cañamero or Ribera Baja. We have selected two quotes to show this opinion about the differentiation by terri-

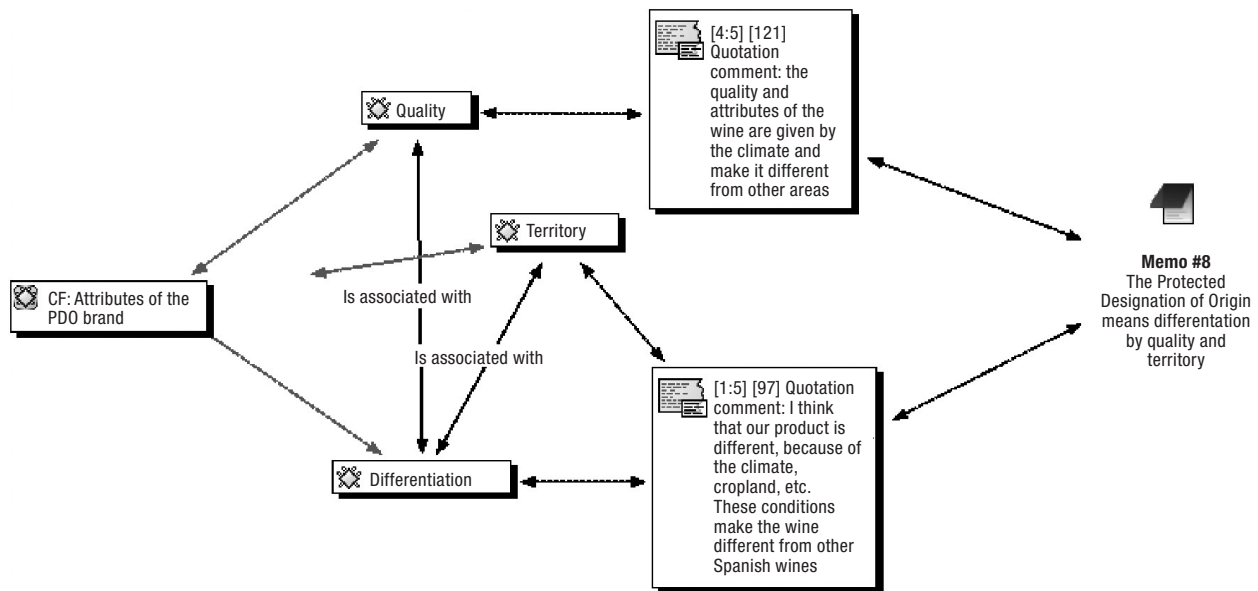


Figure 4. Specific attributes associated with the protected designation of origin. The quotes selected are 4:5 and 1:5. The first number of the quotes refers to the number of the interview (numbered from 1 to 9) and the second one is the number of the quote selected from that interview. CF: codes family. Memo: annotation.

tory: quotes 4:5 and 1:5. The general idea is summarized in the annotation: “The Protected DO means differentiation by quality and territory”.

Knowledge of the DO by consumers

Concerning the knowledge of the DO by consumers, winemakers maintain the belief that the consumer does not have a clear idea of what a DO is. More important, they consider that this ignorance exists in the catering and hotel trades, which do not favors the consumer to learn the value of this system for food protection.

However, despite this lack of knowledge about the DO by the market, winemakers believe that the consumer himself can appreciate the difference (mainly of quality) of the attributes present in a brand with DO (this is the opinion of 6 of the 9 interviewed winemakers). The annotations selected for both positions are quote 1:12 and quote 4:6, which are associated with annotations (Fig. 5).

For each of the quotes we create an annotation. The first quote, which refers to the lack of knowledge about the DO, is associated with the annotation: “Consumers do not know what a designation of origin is”. The second quote indicates that consumers do appreciate the quality of a wine with DO. The annotation is: “The

consumer perceives the difference of a wine with designation of origin”.

Price of wine: influence of the PDO

The opinion of the winemakers on the price of wine is also analyzed, considering in the first place whether there should have price differences between wines with or without DO. Two clearly defined positions are given. On one hand, 5 of the 9 winemakers believe that the price should be higher in wines with DO, opinion based on the largest cost of making wine with DO. The quote that summarizes this position is 1:11 (Fig. 6). To express this position in the network we create the annotation: “The price of a PDO wine must be higher than the price of a wine without PDO”. On the other hand, 4 of the 9 winemakers consider that a wine with DO does not have to be more expensive than a wine without DO. This view is expressed in the quote 5:17 that is linked with the annotation “The price of a wine must be independent of whether or not is part of a PDO”.

Finally, we have also selected the quote 8:15 which is related to the lack of knowledge by the consumer about DO as previously indicated in Fig. 5. We use again the annotation of that figure: “Consumers do not know what a designation of origin is”.

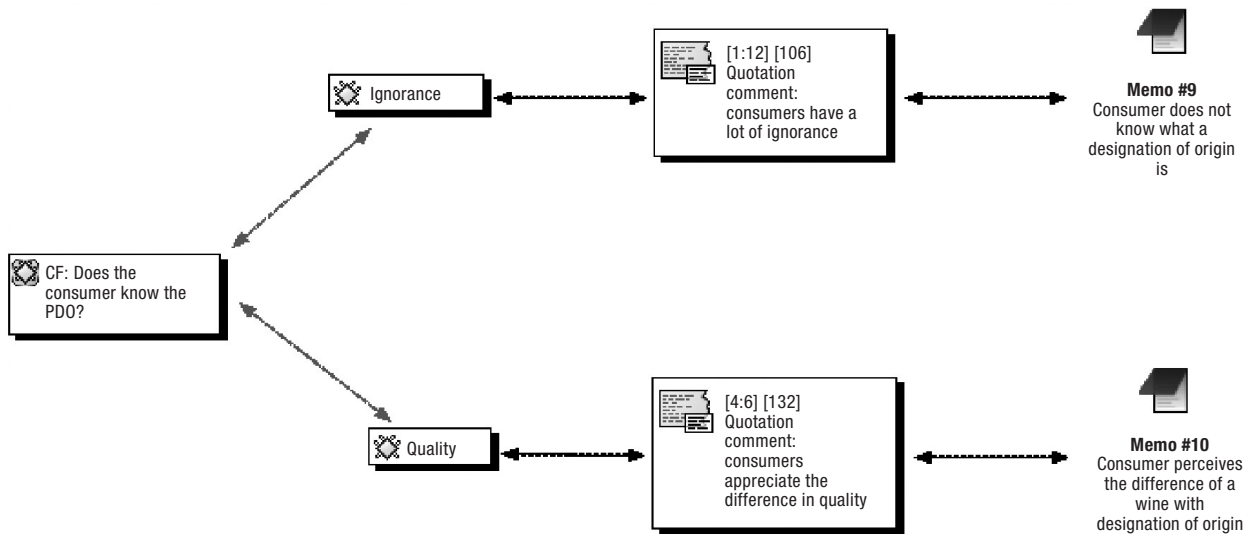


Figure 5. Does the consumer know the designation of origin? The quotes selected are 1:12 and 4:6. The first number of the quotes refers to the number of the interview (numbered from 1 to 9) and the second one is the number of the quote selected from that interview. CF: codes family. Memo: annotation.

Discussion

Protected Designations of origin (PDO) are brands linked to the place of origin, creating a unique diffe-

rentiation that cannot be imitated. Definitely, the geographical origin constitutes an attribute that cannot be duplicated. During the last three decades PDOs have become a form of differentiation that permits the

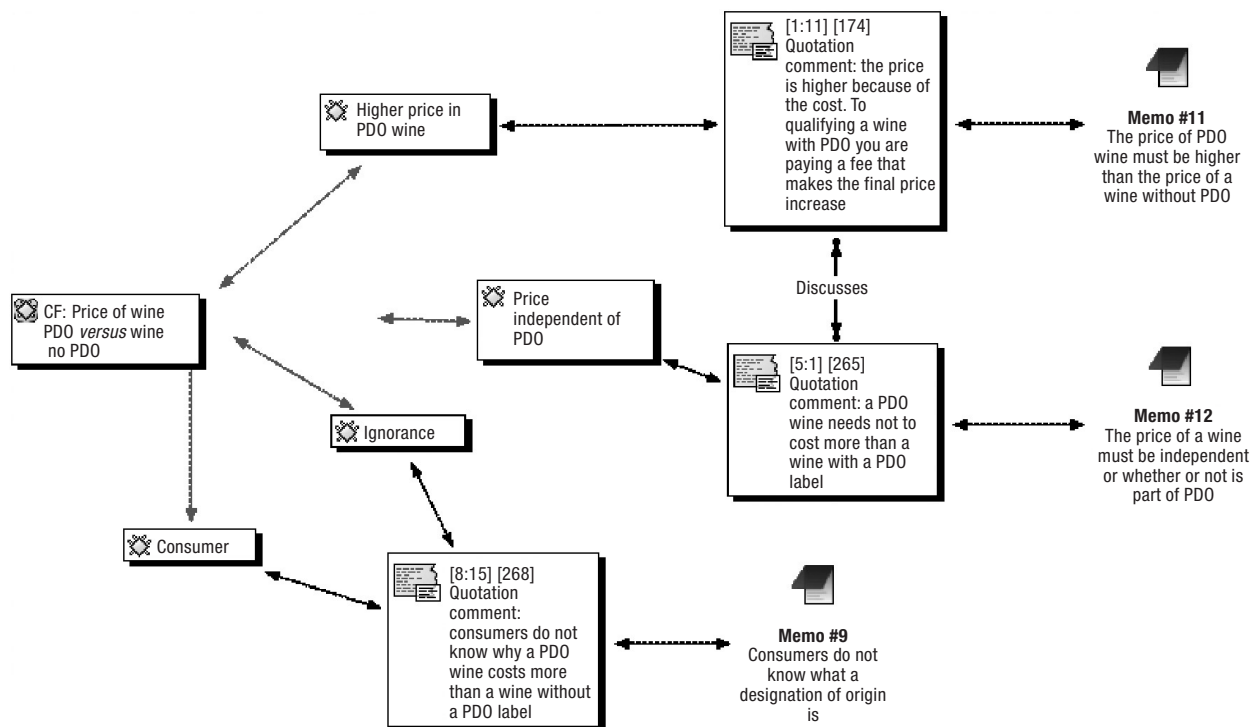


Figure 6. Price of wine: influence of the protected designation of origin. The quotes selected are 1:11, 5:17 and 8:15. The first number of the quotes refers to the number of the interview (numbered from 1 to 9) and the second one is the number of the quote selected from that interview. CF: codes family. Memo: annotation.

companies to get competitive advantage in the agro-food marketing, with the origin as the fundamental attribute. These figures of food protection are not only useful for winemakers but also for consumers, as they can provide product recognition and quality perception. Then, quality and origin are the two key elements to be developed by the companies belonging to the DO in their marketing strategies.

The place of origin-based marketing must be associated with a higher quality of the product, that is, it has to be linked the superior quality with geographic factors of the place of origin to convince the market to pay a higher price for this unique product.

There are different studies that have addressed the place of origin as a business strategy (Martínez & Jiménez, 2006; Bontemps *et al.*, 2013). Studies focusing on wine, which is considered the most differentiated agricultural product, revealed that the marketing strategies based on place of origin can help agricultural products to compete in the market by providing a distinct attribute, which cannot be easily duplicated, such as better taste, aroma or other qualities (Felzensztein *et al.*, 2004). Other studies also consider that the region of origin can have important opportunities of positioning to create a sustainable competitive advantage. Also, it allows selling the product with higher prices (Thode & Maskulka, 1998; Veale & Quester, 2009).

The DO provides value to a food product (Yagüe & Jiménez, 2002; Deselnicu *et al.*, 2013). Regional products are usually made by small producers, to whom DOs facilitate obtaining competitive advantages similar to those of remarkable national brands. This form of food protection promotes the economic development of regions with lower earning potential. Therefore, the DO is compared with a brand that has value as it increases its visibility and reinforces an image of strong, favorable and unique brand.

The present study has analyzed the point of view of the winemakers on extrinsic attributes ranging from the brand-product duality, origin, price, packaging and label to the knowledge and consumer perception of the DO and how it can influence its purchase decision. We have also analyzed the specific attributes of a brand with DO determined by the qualitative analysis: quality, territory and differentiation. All these aspect are discussed below.

First, the wines with DO *Ribera del Guadiana* are from Extremadura. About Extremadura there are negative stereotypes of social, economic or educational

aspects, and wine produced in this region are also under this consideration. In the present study, winemakers have the view that the Extremadura wines keep a negative connotation coming from the past, in which the wines were destined for distillation and were therefore of low quality. This has been a major obstacle that winemakers have faced. But it is also true that winemakers have changed from a negative consideration of the Extremadura origin, to consider that it can provide differentiation, which means that the PDO begins to provide benefits to the product. Even, a winemaker indicated that the market starts to consider that they are new in quality wines, as a sign of improvement, at least partially, of the bad reputation of the past.

Differentiation by quality involves a big effort both technical and of human resources to get a good product whose quality is appreciated by the consumer. The opinion of the winemakers clearly shows a commitment to provide a quality product. In fact, the majority opinion among winemakers about what is offered to the market is favored by brand rather than by product, believing that to reach the consumers it is necessary a quality product and from there try to associate the brand with the product. They have already begun the process of promoting and consolidating their brands, aware that product quality is already perceived by the consumer. In this process, the packaging and label are considered important elements linked to the image of the wineries that can lead to the recognition of the brands by consumers.

In addition to the differentiation by quality, the differentiation by territory has been expressed by winemakers. They consider that this differentiation is based in the specific land, climate and grape types of the region. To reach a full convincement of this idea they have to face a slow process that is linked to the process of promoting and consolidating their brands indicated above.

As previously indicated the use of marketing strategies of differentiation by quality and origin must convince the consumer to pay a premium price for a product that meets unique characteristics. Opinions of the winemakers about whether the wine with DO must be more expensive or not than the wine without DO are divided. Also, it can be noticed that when they say that a wine with DO has not to be necessarily more expensive than a wine without DO, they refer to high quality wines that are not under an DO because the winemaker is not interested; its high price, higher than that

of a wine under a DO, is supported by the high quality generally based on the reputation of the winemaker who made the wine. The comment about the higher price that must have wines with denomination of origin is based on the major costs of control to which they are subjected by the Board of the PDO, as a guarantor of quality.

Related to the price to be paid, the knowledge of a PDO (specially the higher costs of technical and of human resources needed to produce a PDO wine) by consumers is critical in opinion of the winemakers. At this time, winemakers express the idea that consumer does not know what a DO is. In contrast, consumer appreciates the quality of the wine. Then, an effort of education has to be made.

In summary, the DOs of Extremadura are key elements of the food industry in the region and among them, the DO of wine *Ribera del Guadiana* is what represents the largest subsector within agriculture and cattle raising of Extremadura. Currently, this DO has a modest production and trade data compared with other DOs from Spain. Although, this should be analyzed from the perspective that PDO *Ribera del Guadiana* is a young DO compared to other DOs established for decades. The youth of the brand undoubtedly affects in a negatively manner to the accumulation of brand equity that is a long term process.

The main conclusion of the study and possible implications for decision making in the management of the protected DO in general and the DO of wine *Ribera del Guadiana* in particular is that Extremadura wines have to fight against a negative image and low visibility in the domestic market, but also the origin may involve differentiation, for which the PDO is a necessary element. The market of food products must be convinced with quality products previously to the promotion and consolidation of the brand. The Denomination of Origin has become for winemakers a chance to focus on quality and to differentiate by the territory.

Future studies, analyzing the point of view of consumer, have to be performed to understand the specific role of extrinsic attributes in the decision purchase. To undertake these studies, the results obtained in the present qualitative study will be a starting point to be defined as hypothesis. In fact, quantitative studies analyzing the effect of the place of origin, among other aspects, in the purchase of PDO wine are been carried out by our group.

Acknowledgements

The authors would like to express their thanks to the wineries managers who gave their time to the interviews analyzed in this work. We gratefully acknowledge the helpful comments by two referees and the editor.

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